

SERS-O-GRAM

A newsletter for members of the State Employees' Retirement System of Illinois

AUGUST 2002

Early Retirement Incentive – Option 2

The Early Retirement Incentive (ERI) was passed by the General Assembly and signed by the Governor allowing employees to purchase up to five years of service and age enhancement.

Any actively employed member of SERS may participate in the ERI service purchase and terminate state service, even if you are not eligible to receive a retirement benefit at this time.

ERI REQUIREMENTS

To participate in the ERI service purchase and terminate state employment program, you must:

- Have eight years of SERS service by your date of termination (five years must be contributing service).
- Have never retired from SERS.
- Be a member of SERS who is:
 - In active payroll status during June 2002; or
 - On layoff status with a right of re-employment or recall; or
 - Receiving a disability benefit for less than two continuous years at retirement.
- Have never established service credit under the 1991 ERI from the Teacher's Retirement System.
- Terminate employment by December 31, 2002.

Enclosed with this SERS-O-GRAM is your annual Benefit Statement. Besides giving you specific information about your SERS account, it also shows any service you may have with a reciprocal system and any service you may be eligible to purchase or repay. Share this information with your family, since it's a vital part of your retirement planning.

RECEIVING RETIREMENT BENEFITS AT A LATER DATE

After you purchase ERI service and terminate state employment, you may apply for retirement benefits when you qualify. To be eligible, you must:

- File an application for retirement benefits by December 31, 2002.
- Be age 50 without the addition of the ERI age enhancement to receive benefits under the alternative formula.
- ***Meet the following retirement eligibility requirements:***
 - 13 years of service (including 5 years of ERI service) at age 60;
 - 25 years of service at age 55. Under the ERI, the reduction in benefits between ages 55 and 60 is waived;
 - Rule of 85;
 - Alternative formula employees: 20 years at age 55 or 25 years at age 50.

The ERI retirement estimates were mailed on July 15 to all members eligible to retire. If you didn't receive an estimate, but feel you may qualify because of reciprocal service, military service, accumulated sick and vacation time, etc., you may call SERS at 217-785-7444, to request an estimate.

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EXCEPTIONS

To ensure the efficient operation of state government, agency directors may extend key employees to no later than April 30, 2003. However, members must file their ERI application by December 31, 2002.

CONTRIBUTIONS

Members meeting the service purchase eligibility requirements and terminating state employment, may establish up to five years of creditable service in one month increments. For each month of service established under the ERI, the member's age at retirement will be considered one month older.

The following formula is used to calculate the required ERI contribution:

Rate of Pay on June 1, 2002

X

*Employee Retirement
Contribution Rate*

X

*The Number of Months
to be Established.*

SERS will determine your required contribution amount and have your agency forward this amount from your lump sum payment for accrued sick, vacation, and personal days.

If your net lump sum payment for accrued vacation, sick leave and personal days is GREATER than the ERI contribution due, your agency will deduct the ERI contribution and send it

to SERS as a pre-tax ERI contribution, and forward the remaining balance to you.

When you receive a net lump sum payment for accrued vacation, sick leave, and personal days that is LESS than the ERI contribution due, your agency will deduct and send SERS the entire lump sum payment as a pre-tax contribution.

When you become eligible to retire, the remaining ERI contribution is reduced from your pension payment on a pre-tax basis in 24 interest-free installments.

If you participate in the ERI and return to service in any position covered by SERS (excluding the 75-day temporary employment) you will forfeit the ERI age and service enhancement, and receive a refund of contributions made under the ERI.

FURLOUGH DAYS

Another provision of the ERI bill allows SERS members to establish service credit for any furlough days taken to address the state's fiscal crisis. Furlough time may not exceed five days, and must be taken between December 1, 2001 and December 31, 2002.

In order to receive furlough credit at no cost, the member should apply in writing to their employing agency before July 1, 2005, or their retirement date, whichever comes first.

PARTICIPATING IN OPTION 2

If you would like to participate in the ERI, you must contact SERS and request a service purchase election form. ***The service purchase form must be received by SERS on or before December 31, 2002***, even if your employment is extended beyond December 31, 2002 by your agency director.

If you have any questions, or would like additional information, contact us at 217-785-7444. Chicago area members should call 312-814-5853.

Visit our web site at www.state.il.us/srs to access information about the Early Retirement Incentive, as well as a list of frequently asked questions about the ERI. The SERS home page also contains a Bulletin Board with articles pertaining to SERS members.

KEEP YOUR BENEFICIARIES CURRENT

Your named beneficiaries are located in the Death Benefits section of your Benefit Statement. It is your responsibility to keep your designations up-to-date.

You may change your beneficiaries at any time by completing and filing a Nomination of Beneficiaries form (on the back page of this publication) with SERS. If you have questions about beneficiaries, call us at 217-785-6963.

2003 PRERETIREMENT WORKSHOPS

All members who were signed up for the Investing in Your Future (IYF) or Education for Tomorrow's Choices (ETC) from June through December of 2002, but were cancelled due to the passage of the ERI, will be placed in a 2003 workshop with a similar city and date of their original workshop. Therefore, many of the June thru December, 2003 IYF and ETC workshops will be filled by the time this schedule is printed.

Members who received a rejection notice because a 2002 workshop was filled, will be placed in a 2003 workshop. If the previous registrants do not fill up these workshops, the dates will be available for all members. To register for a workshop, contact your Retirement Coordinator, whose name and telephone number is on your Benefit Statement. Reservations CANNOT be made until September 3, 2002.

INVESTING IN YOUR FUTURE

For employees under age 45

Feb. 4	Chicago
Mar. 4	Joliet
Mar. 11	Schaumburg
Mar. 18	Springfield
Apr. 15	ISAC, Deerfield
May 6	Chicago
May 20	Urbana
Jun. 3	Rockford
Jun. 17	Springfield
Jul. 15	Mt. Vernon
Aug. 5	Springfield
Aug. 19	Peoria
Sep. 30	Springfield
Oct. 7	Tinley Park
Oct. 21	Collinsville
Oct. 28	Chicago

EDUCATION FOR TOMORROW'S CHOICES

For employees 5-15 years from retirement

Jan. 8 & 9	Chicago & Springfield
Jan. 15 & 16	Springfield
Jan. 22 & 23	Springfield

Jan. 29 & 30	Springfield & Glen Ellyn
Feb. 5 & 6	Springfield
Feb. 19 & 20	Springfield
Feb. 26 & 27	Carbondale & Chicago
Mar. 5 & 6	Springfield
Mar. 12 & 13	Collinsville & Schaumburg
Mar. 26 & 27	Peoria
Apr. 2 & 3	Chicago & Springfield
Apr. 9 & 10	Urbana
Apr. 16 & 17	Joliet
Apr. 30 & May 1	Chicago
May 7 & 8	Springfield
May 14 & 15	DeKalb
May 28 & 29	Mt. Vernon
Jun. 4 & 5	Rockford
Jun. 11 & 12	Springfield
Jul. 9 & 10	Springfield
Jul. 23 & 24	Peoria
Jul. 30 & 31	Carbondale
Aug 13 & 14	Collinsville
Aug. 20 & 21	Chicago
Sep. 10 & 11	Springfield
Sep. 17 & 18	Joliet
Oct 8 & 9	Tinley Park
Oct 15 & 16	Springfield

Oct. 22 & 23	Chicago
Nov. 12 & 13	Springfield
Nov. 19 & 20	Chicago & Peoria

COUNTDOWN TO RETIREMENT

For employees 3 years from retirement.

Jan. 23	Chicago
Feb. 20	Joliet
Feb. 27	Springfield
Mar. 6	Carbondale
Mar. 20	Springfield & Chicago
Mar. 27	Collinsville
Apr. 10	Chicago
Apr. 24	Springfield & Schaumburg
May 29	Rockford & Springfield
Jun. 12	Tinley Park
Jun. 19	Springfield
Jul. 17	Springfield
Jul. 24	Urbana
Aug. 7	Springfield
Aug. 21	Springfield
Aug. 28	Collinsville
Sep. 4	Joliet
Sep. 16	Schaumburg
Sep. 18	Springfield
Sep. 25	Carbondale & Chicago
Sep. 30	Gurnee
Oct. 2	Peoria
Oct. 16	Tinley Park
Oct. 23	Springfield
Oct. 30	Chicago
Nov. 13	Chicago & Mt. Vernon
Nov. 20	Springfield

State Employees' Retirement System of Illinois

2101 South Veterans Parkway, P. O. Box 19255, Springfield, Illinois 62794-9255 217-785-6963

MEMBER'S NOMINATION OF BENEFICIARY(IES) FOR DEATH BENEFITS

This form is used to nominate the person or persons to receive any death benefit payable by the State Employees' Retirement System (SERS) of Illinois. ***This is a legal document which, after preparation, may not be altered in any way by any person.*** A member wishing to change beneficiaries at a later date must complete a new Nomination Beneficiary form. The form on file with SERS with the most recent date-located next to the member's signature-will take precedence.

INSTRUCTIONS: Complete this form using ink or a typewriter. You may nominate as many people as you wish. If additional space is needed, use additional sheets. Survivor benefits will be paid in the numerical order you indicate. Two or more persons with the same order number will receive equal shares. When this beneficiary nomination is accepted by SERS, an acknowledgment will be mailed to you.

NOTE: Persons nominated as beneficiaries without order numbers will be considered after those persons nominated with order numbers. Two or more persons nominated without order numbers will receive equal shares.

EXAMPLE

Order Number	Name	Address	Relationship
1	John A. Doe	123 West Main, Chicago, IL 60601	Father
2	Jane B. Doe	123 West Main, Chicago, IL 60601	Mother
3	David C. Doe	123 West Main, Chicago, IL 60601	Brother
3	Nancy D. Doe	44 South 2nd, Springfield, IL 62708	Sister
3	Mary E. Doe	123 West Main, Chicago, IL 60601	Sister
4	Frank F. Smith	9876 E. 99th St., Peoria, IL 61605	None

If the member dies while in state service, the benefit will be paid as follows:

1. All the money will be paid to John A. Doe.
2. If John A. Doe is not living when the member dies, all the money will be paid to Jane B. Doe.
3. If John A. and Jane B., Doe are not living when the member dies, the money will be divided equally among David C., Nancy D., and Mary E. Doe. (If only two of these three persons are living when the member dies, each will receive one-half of the money. If only one of these three persons is living when the member dies, he/she will receive all of the money.)
4. If John A., Jane B., David C., Nancy D., and Mary E. Doe are not living when the member dies, all the money will be paid to Frank F. Smith.
5. If none of the nominated beneficiaries are living when the member dies, all of the money will be paid to the member's estate.

NOMINATED BENEFICIARIES

Order Number	Name	Address	Relationship
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

This form must be witnessed by two people who are not named as beneficiaries.

Member's Signature _____ Date _____

Member's Social Security Number _____ Witness _____

Member's Address _____ Address _____

Witness _____

Address _____